

NEWS

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Christopher J. Christie, U.S. Attorney

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FOR IMMEDIATE RELEASE
April 02, 2007

Jersey City Man Sentenced to 60 Months for Investment Scam

(More)

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NEWARK – A Jersey City man who purported to be an investment advisor was sentenced today to 60 months in federal prison for defrauding investors of more than \$400,000, U.S. Attorney Christopher J. Christie announced.

U.S. District Judge John C. Lifland also ordered Patrick Dacosta to make restitution of approximately \$1 million. (Dacosta stipulated in his plea agreement that the loss to investors was more than \$400,000 but less than \$1 million.)

Judge Lifland ordered Dacosta to wear an electronic monitoring bracelet until the federal Bureau of Prisons designates a facility for him to serve his sentence.

Dacosta, 47, pleaded guilty on Dec. 13 in the middle of his trial to four counts of wire fraud before Judge Lifland. In March 2006, a grand jury issued a Superseding Indictment against Dacosta, charging him with engaging in a scheme to defraud investors from November 1999 through February 2003.

In the third day of his trial, following testimony of several victims, Dacosta admitted that he used his investment company, Ultimate Chasers of East Orange, to defraud more than 10 victims of hundreds of thousands of dollars in bogus real estate investments and a supposed high-yield “Reserve Bank” investment program. The victims, several who were elderly, were located in a number of states, including California, Florida, Michigan, and Virginia.

The testimony at trial showed that Dacosta, in writing and through verbal solicitations, guaranteed his investor victims profits ranging between 10 percent and 300 percent per-month in his various investment programs. Dacosta acknowledged at his plea hearing that the written documents were false and fraudulent. In order to create an appearance of legitimacy and conceal his wrongdoing, Dacosta sent his victims fraudulent account statements, purporting to indicate exorbitant returns. Dacosta similarly admitted the accounts statements were part of the ruse.

Dacosta, who represented himself to the investors as an accomplished and affluent businessman, acknowledged that instead of investing the victims’ money as promised, he siphoned cash out of a number of banks, and paid for dozens of personal expenditures totaling thousands of dollars. For example, Dacosta used investor money for purchases at stores such as Victoria’s Secret, Lord and Taylor, Johnston and Murphy, Champs, and dozens of others, according to Robert Kirsch and Adam Lurie, the Assistant U.S. Attorneys who prosecuted the case for the government.

The investigation began in early 2001 by the Bureau of Securities in New Jersey’s Attorney General’s Office. The investigation was coordinated by that Office, as well as the FBI and U.S. Postal Inspection Service. During the investigation, Dacosta was

recorded in a supposed sales meeting with investors who in fact were undercover FBI agents, touting his supposed success and ensured stratospheric returns. The defendant was initially arrested in August 2004.

Christie credited the New Jersey Attorney General's Office Bureau of Securities, under the direction of Bureau Chief Franklin Widmann; Special Agents of the FBI, under the direction of Acting Special Agent in Pedro Ruiz in Newark; and U.S. Postal Inspectors, under the direction of Postal Inspector in Charge Thomas D. van de Merlen in Newark, for the successful prosecution.

The government is represented by Assistant U.S. Attorney's Kirsch and Lurie, both of the Securities and Healthcare Fraud Unit, in Newark.

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Defense Counsel:
Olubukola Adetula, East Orange